

**From:** "RKStoker@att.net%inter2" <RKStoker@att.net>  
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Email: RKStoker@att.net  
FirstName: Randal  
LastName: Stoker  
Address1: 13770 Mahoney Dr.  
Address2:  
City: Woodbridge  
State: Virginia  
zipcode: 22193

Question1: Capitalization of program benefits into land prices is just one of the unintended consequences of misguided farm policy. I am convinced that centrally regulated milk pricing has also resulted in unintended consequences. The equalization of regional milk prices have resulted in reduced opportunities and restrictive barriers to venture into the dairy business. Well intentioned government efforts to increase the bargaining power of milk producers and their cooperatives relative to milk buyers has gone too far and is now a detriment to entrepreneurial milk marketing ventures. Unnecessary regulation now restricts smaller-scale, less capital intensive, marketing opportunities. New generation dairy farmers with small net worth but strong entrepreneurial drive are more likely to seek less capital intensive opportunities for entry into the dairy business. There is adequate evidence that creative direct marketing by individual milk producers and smaller-scale local cooperative marketing ventures can and do induce consumers to willingly, without governmental or market power coercion, pay more for fresh, local, and specialty branded milk products. These local and smaller-scaled processing and marketing ventures also keep value-adding businesses dispersed across rural America and contribute to the economic stability of rural communities. Complex, expensive, and centrally administered state and federal regulatory pricing systems should be replaced with training and short-term financial assistance to well planned milk and milk product marketing ventures. A free market environment will self balance large scale commodity production for the national and international markets with small scale specialty production in milk and dairy products for innumerable local community markets.

Question2: I think that history and modern science has made the benefits of free trade evident. On the other hand, history and modern science also demonstrates that protectionism and restrictions to free trade results in social and economic costs that often do not become evident until it is too late or until opportunity has past. Bilateral, regional, and multinational trade negotiations are often stalled by a "we'll reduce our barriers AFTER you reduce yours" scenario. This "you go first" attitude is why negotiations do not go further than they do. I feel that we can and should place our full trust in free-trade principles and courageously lead out in reducing our own barriers to free trade. I feel it unnecessary and imprudent to wait until our trading partners "go first." Although specific sectors will need to make adjustments, the longer we delay, the more difficult it will become to make the inevitable adjustments.

I firmly believe that although free markets are constantly imperfect, the free market can better balance local, regional, and international supply and demand than can any artificial program(s). This is especially true with today's highly developed transportation and information systems. With well defined marketing law together with

judicial enforcement, markets have shown a remarkable ability to self-regulate all commercial trade. Numerous attempts to artificially reduce and restrict supply or to artificially encourage and promote demand have met questionable and marginal results at best. The long range general welfare and efficiency, locally, domestically, and internationally, is best served by free markets that are balanced by free prices.

In my opinion, macroeconomic policy and the relative currency exchange rates is probably the area that should receive the most attention. Individual governments and their respective monetary policies can have a tremendous influence upon a competitive global trading system.

Question3: Production agriculture is a risky business. Many of the risks associated with production agriculture are inevitable. Such inevitable risks can be ameliorated by prudent and adequate insurance and by the wise utilization of risk transferring tools. The utilization of insurance and risk transferring tools must remain optional. Some producers are naturally risk averse, other risk inclined. All business ventures, including agriculture, must reward and punish according to the vicissitudes of the market. Government can assist production agriculture by providing accurate and timely information, by assisting producers to utilize risk transferring tools, by assuring that market equilibrium and market price discovery systems are not manipulated, and by actively avoiding the creation of additional and unnecessary risks. Additional risk is created with artificial market and price interference. Assuring equality of opportunity, to succeed and to fail, will assure that income distribution is also equitable and is by nature decoupled from production volume.

Question4: Worldwide, consumers are becoming increasingly interested in preserving our natural resources and our rural cultures. I believe that consumers have already demonstrated a willingness to cast their votes by purchasing higher cost food and fiber products that meet environmentally friendly certification standards. I believe that the promotion of direct farmer markets, organic certification, and smaller-scale niche value adding processing and packaging operations will provide the tangible benefits of cleaner water and air. Although large scale, low-cost production agriculture may still provide the bulk of the world's food and fiber demands, I believe a well informed public, together with well defined standards, will allow all consumers to cast their own vote and that production agriculture will adjust according to consumer demand.

Question5: I feel that the most important infrastructures that are critical to rural production agriculture are access to information and transportation. Government assistance may be needed to assure that information and transportation systems are well maintained in rural areas where market rewards may not provide sufficient incentives relative to more urban areas. At the same time, governmental assistance must be careful to avoid replacing private technological investment as state-of-the-art systems become available (such as via satellite) to rural communities.

Question6: I believe that there are limitless market opportunities for agricultural production. In the dairy industry, for instance, specialized milk products are being developed which will help to cure or prevent specific health related issues. These products are pharmaceutical in nature and hold the potential of being extremely beneficial socially and economically. I believe that market opportunities will be developed with or without governmental assistance. However, I believe that certain governmental regulations tend to inhibit innovation (such as classified milk pricing) and should be discontinued.